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Bovis Holdings Limited

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**BOWIS**

Report and Accounts 1969





# **Bovis Holdings Limited**

## **REPORT AND ACCOUNTS 1969**



National Westminster House, High Holborn, WC1, built by Gilbert-Ash (Southern) Ltd.  
Architects: J. Seymour Harris & Partners.





Fourteen complex building phases covered the complete reconstruction of the Marks & Spencer store in Newcastle—one of the many projects being undertaken by Bovis Ltd, for this client.  
Architects: Norman, Jones, Sons & Rigby.



## Board of Directors

### President

The Earl of Albemarle MC

### Directors

Harry Vincent FIOB Chairman  
Sir Keith Joseph Bt PC MP FIOB Joint Deputy Chairman  
H. J. Cruickshank CBE CEng MIMechE FIOB FBIM Joint Deputy Chairman  
M. F. Sanderson Managing  
N. Vincent  
Sir Richard Powell Bt MC  
Hon David Montagu  
F. J. Cosford FIOB  
Sir Brian Horrocks KCB KBE DSO MC  
Sir Sadler Forster CBE DCL FCA  
R. M. Dawe FCIS  
A. C. Richards FIA FSVA  
Lady Sharp GBE

### Auditors and Registrars

Thomson McLintock & Co  
Chartered Accountants  
33 King William Street London EC4

### Secretary

S. G. Jefcoate

### Registered Office

Newcombe House 45 Notting Hill Gate  
London W11

### Transfer Office

Granby House 95 Southwark Street  
London SE1

## Principal Subsidiary Companies

### Construction Division

Bovis Ltd  
Gilbert-Ash Ltd  
Gilbert-Ash (Southern) Ltd  
Gilbert-Ash (Northern) Ltd  
Gilbert-Ash (Scotland) Ltd  
Gilbert-Ash (N.I.) Ltd  
Gilbert-Ash Structures Ltd  
Yeomans and Partners Ltd  
Wyseplant Ltd  
Constructional Units Ltd  
Dick and Benzies Ltd  
A. E. Farr Ltd  
David F. Wiseman & Sons Ltd  
Larry Webb (Plant) Ltd  
Woodward & Co. (Engineers) Ltd

### Housing Division

Malcolm Sanderson Holdings Ltd  
Malcolm Sanderson Developments Ltd  
Malcolm Sanderson Projects Ltd  
Malcolm Sanderson Estates Ltd  
Malcolm Sanderson Scotland Ltd  
Malcolm Sanderson Southern Ltd  
Malcolm Sanderson Western Ltd  
R. T. Warren (Builders, Bedford) Ltd

### Property Division

Audley Properties Ltd  
Bovisgate Properties Ltd

### New Businesses Division

1900 Programming Ltd

### Overseas

Bovis (B.V.I.) Ltd  
Bovis Société Anonyme

#### **Note:**

All the above companies are wholly owned except Larry Webb (Plant) Ltd which is 50% owned and 1900 Programming Ltd which is 66% owned, and are registered in England with the following exceptions:  
Gilbert-Ash (Scotland) Ltd and Dick and Benzies Ltd – Scotland.  
Gilbert-Ash (N.I.) Ltd – Northern Ireland.  
Bovis (B.V.I.) Ltd – British Virgin Islands.  
Bovis S.A. – France.

## **Notice of Meeting**

Notice is hereby given that the forty-second annual general meeting of the company will be held at the Savoy Hotel Strand London WC2 on Wednesday the 20th day of May 1970 at 12 noon for the following purposes :

- 1** To receive and consider the directors' report, statement of accounts and balance sheet for the year ended 31st December 1969 and the auditors' report thereon.
- 2** To elect directors.
- 3** To transact any other ordinary business of the company.

By Order of the Board  
S. G. Jefcoate Secretary  
27th April 1970  
Newcombe House 45 Notting Hill Gate London W11

### **Note**

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll vote in his stead. A proxy need not be a member of the company.

The instrument appointing a proxy (which is enclosed) must be deposited at the company's registered office, Newcombe House 45 Notting Hill Gate London W11, duly completed at least 48 hours before the time for holding the meeting.



## Report of the Directors

Year ended 31st December 1969

To be submitted to the shareholders at the forty-second annual general meeting to be held at the Savoy Hotel Strand London WC2 on Wednesday 20th May 1970.

### Activities of the Company and its Subsidiaries

The principal activities of the company and its subsidiaries in 1969 were construction, housing estate and property development.

As mentioned by the chairman in his statement last year, David F. Wiseman & Sons Ltd was purchased on 1st January 1969 when full particulars were issued to shareholders.

A 50 per cent interest in Larry Webb (Plant) Ltd, earth moving contractor, was purchased in April 1969.

A 66 per cent interest in 1900 Programming Ltd, which is engaged in computer software in UK and overseas, was purchased in June 1969.

### Accounts and Dividends

The Group profit before tax was £1,866,218. The profit after tax attributable to shareholders was £982,627.

The dividends on the  $7\frac{1}{2}$  per cent preference shares and an interim dividend of 10 per cent on the ordinary shares have been paid. In January 1970 it was stated that a recommendation would be made to pay a final dividend on the existing ordinary shares of  $17\frac{1}{2}$  per cent. Your directors have since declared a second interim dividend of  $17\frac{1}{2}$  per cent in lieu of a final dividend. The total ordinary dividend for the year will therefore be  $27\frac{1}{2}$  per cent, compared with  $22\frac{3}{4}$  per cent last year.

The profit retained for the year was £501,996.

### Surplus on Realisation of Assets

Sales of land and buildings during the year realised £277,669 more than the valuations made at 31st December 1968. This surplus has been transferred to Capital Reserves.

### Exports

No goods were exported by the company or its subsidiaries.

### Significant Changes in Fixed Assets

The changes in fixed assets are shown in note 4 on page 18.

### Capital

During the year, 109,750 shares were issued to executives on the terms of the executive share incentive scheme.

### Employees

The average number of persons employed in each week of the year by the company and its subsidiaries was 9,937. The aggregate remuneration paid or payable to these persons during the year amounted to £13,927,241.

### Political and Charitable Contributions

No contributions were made for political purposes. Charitable donations amounted to £18,874.



## Report of the Directors (continued)

### Directors and their interests in Shares of the Company

Mr. H. Vincent, Sir Keith Joseph, Mr. H. J. Cruickshank and Sir Richard Powell retire by rotation and are eligible for re-election.

The interests of the directors in the shares of the company at the beginning and end of the year are as follows:

	31st Dec 1969 Ordinary Shares	1st Jan 1969 Ordinary Shares
H. Vincent	46,357	70,037
Sir Keith Joseph	120,980	121,780
H. J. Cruickshank	17,347	10,847
M. F. Sanderson	478,083	540,583
N. Vincent	272,514	272,514
Sir Richard Powell	3,375	3,230
Hon David Montagu	12,500	12,500
F. J. Cosford	17,500	10,000
Sir Brian Horrocks	5,624	5,624
Sir Sadler Forster	3,150	3,150
R. M. Dawe	14,000	12,500
A. C. Richards	14,690	8,690
Lady Sharp	500	500

The shareholdings of directors include the shares which they purchased under the executive share incentive scheme. In addition to the shareholding as shown H. Vincent and N. Vincent are joint trustees of 12,222 shares, and the family and trustee interests of Sir Keith Joseph and M. F. Sanderson are 320,585 shares and 254,437 shares respectively.

### Auditors

The retiring auditors, Messrs. Thomson McLintock & Co. will continue in office in accordance with the provisions of the Companies Acts 1948 and 1967.

### General

The company is not a close company as defined in schedule 18 to the Finance Act 1965.

By order of the Board  
S. G. JEF COATE  
Secretary

22nd April 1970

### Note

The following are available for inspection at the registered office of the company, Newcombe House 45 Notting Hill Gate London W11, between 9.30 a.m. and 5 p.m. on any weekday (Saturdays and public holidays excepted) up to and including 20th May 1970.

(1) Copies of contracts of service whereunder directors of the company are employed by the company or any of its subsidiaries.

(2) The register of directors' interests and transactions in the shares of the company.

## Statement of the Chairman

<b>Profits</b>	<p>At the time of my interim statement, the directors made a forecast that the profit before tax would be over £1,700,000. In fact the profit achieved is £1,866,000, yet again a record for the Group, and representing an increase of 65% over the profit for 1968.</p> <p>At the beginning of the year, your Board forecast that a pre-tax profit of not less than £2,750,000 would be made in 1970. After four months trading, we are confident that this forecast will be achieved.</p>
<b>New Group Structure</b>	<p>During the year under review, major decisions were taken to re-organise the structure of the Group. These decisions were put into effect on 1st January this year, and full details of the changes were given to you in my letter of 19th January, 1970.</p> <p>I should particularly like to say how pleased we all are that Mr. M. F. Sanderson has assumed the duties of Group Managing Director. Those of us who have had the pleasure of working with him know that this Group can look forward to a most exciting and profitable future. All of you would, I know, wish me to express our appreciation and thanks for the long and valuable contribution made by Mr. H. J. Cruickshank, now a Joint Deputy Chairman, and Mr. F. J. Cosford, who have relinquished their executive roles. They will continue to play an important part in the Group's activities.</p>
<b>Capitalisation Issue</b>	<p>In order to bring the issued share capital of the Group more into line with its net assets, a capitalisation issue of one ordinary share for each existing ordinary share was made in February 1970.</p>
<b>Increased Pensions</b>	<p>Your directors have considered the effect of inflation upon past employees who are in receipt of Group pensions and have increased current pensions by amounts calculated by reference to the time elapsed since reaching normal retiring age.</p>
<b>Cementation</b>	<p>I reported to you fully during the course of the bid for The Cementation Company Limited, and our reasons for withdrawal will now be well known to you.</p>
<b>Staff</b>	<p>I should like once again to take this opportunity of giving a personal message of thanks to all personnel both on the sites and in the offices, without whose efforts we would not have been able to achieve another record year.</p>



## Statement of the Chairman (continued)

### Construction Division

The performance during 1969 of the companies which now form the Construction Division was again impressive. The building companies, Bovis Ltd, Gilbert-Ash Ltd and Yeomans and Partners Ltd all improved significantly on the previous year's performance and Bovis Ltd had a particularly successful year pioneering new forms of management-only contracts and management consultancy. The civil engineering company, A. E. Farr Ltd has expanded considerably, and amongst varied projects is engaged on major motorway contracts. Two recently acquired companies, David F. Wiseman & Sons Ltd and Woodward & Co. (Engineers) Ltd, which specialise in plumbing and heating and ventilating, have made useful contributions to the Group's profits. Larry Webb (Plant) Ltd, in which a 50 per cent holding was acquired at the beginning of 1969, had a remarkably successful year and greatly exceeded the profit forecast made at the time of acquisition.

The plans for expanding the Construction Division's activities overseas are proceeding well.

The prospects for 1970 for all the construction companies are exceptionally bright and the work in hand is at an all-time high. This is in marked contrast to the national trend in the industry.



Edinburgh University Library, built by Gilbert-Ash (Scotland) Ltd.  
Architects: Sir Basil Spence, Glover & Ferguson, Edinburgh.

## Statement of the Chairman (continued)

### Housing Division

This Division is operating in the United Kingdom and France. We intend to establish further bases abroad and market investigations are now under way which should result in major extensions to our activities abroad.

In the United Kingdom the Division is organised on a regional basis. The main objective is to build new housing estates in those areas offering the most stable growth prospects. This results in a concentration round large urban centres that are forecast to grow in size. The current year has started well with sales at a much higher level than was attained during 1969.

In the last two years the Division has built up and obtained planning permission for a comprehensive and strategically placed land bank. This will ensure the Division's profitability in the United Kingdom for 1970 and beyond.

In France, the major development potential in private housing around Paris is being actively pursued. The shortage of private housing for sale and the fragmentation of the French development business provide an extremely attractive opportunity.



Part of the Heatherside development at Camberley, Surrey, designed and built by Malcolm Sanderson Southern Ltd, of which about 120 acres of prime residential land remain. This is acknowledged to be the finest large site left in Surrey.



## Statement of the Chairman (continued)

### Property Division

There has been a considerable increase during the past year in the activities of this Division, and a number of transactions have taken place which should ensure the continued growth of future profits.

A greater emphasis has been placed on dealing and many transactions have been undertaken with this in mind. Whilst certain development projects will be sold on completion, others will be retained for investment.

One of the larger dealing transactions has been the purchase of over 400 flats in the Central London area. These flats are being offered for sale to the tenants on very attractive terms or, when vacant, sold on the open market. The initial response from the tenants has been good and activities in this direction are being extended. Dealing in office buildings in Central London where there is still considerable scope for making profits is also being undertaken.

On the development side, a number of shop and office schemes are in hand and many others under active consideration.

During the year 1 & 2 Stanhope Gate, occupied by The General Electric and English Electric Companies Ltd, was sold for a very satisfactory price, and other low yielding investments are being reviewed.

A feature of activities in 1969 was a move into industrial development and a major project of 250,000 sq. ft. was completed and let during the course of the year. A number of similar projects are under negotiation.

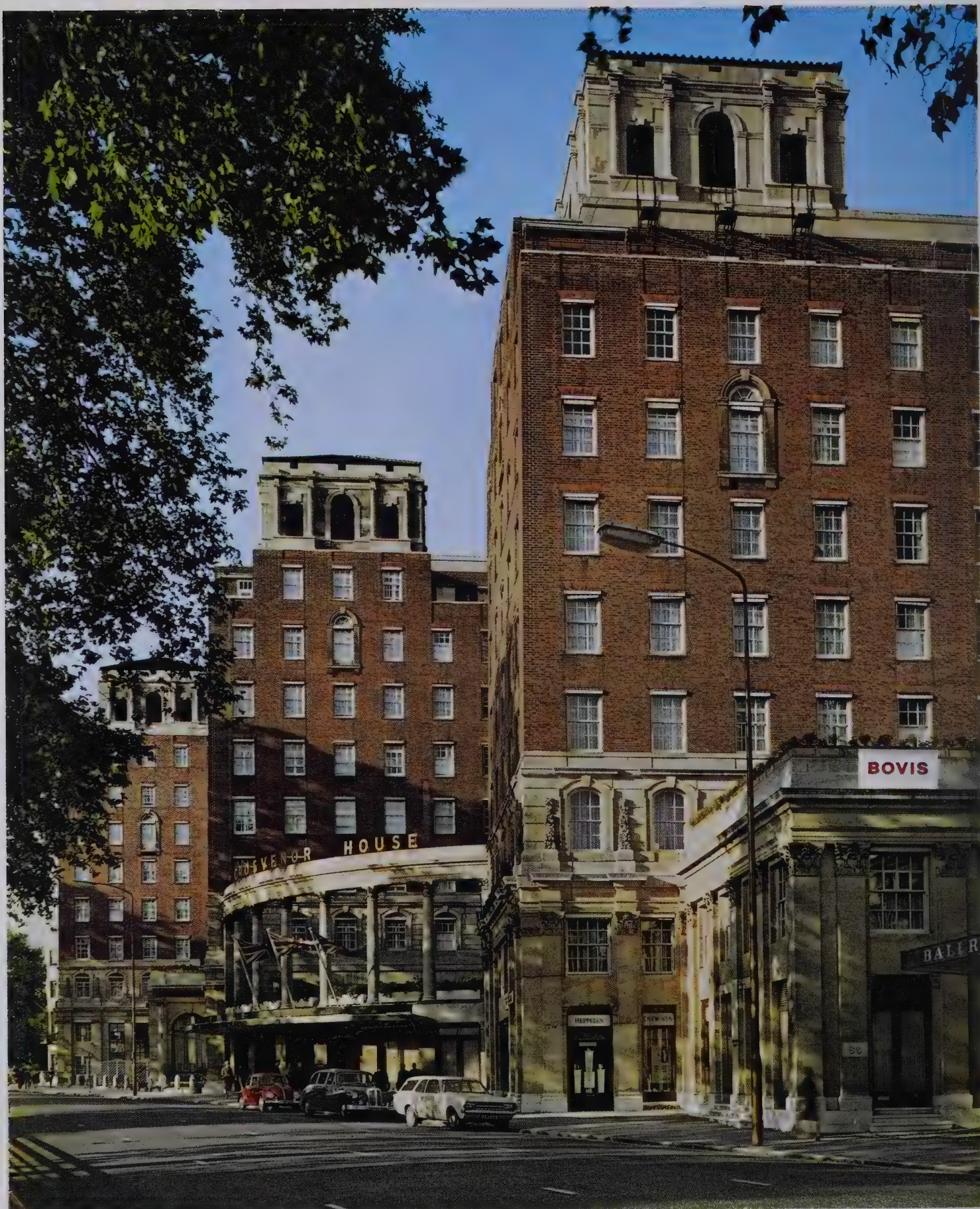
It has also been decided to go into Europe, with particular emphasis on France and Belgium. Europe has great possibilities for U.K. developers and full advantage will be taken of the opportunities offered.

### New Businesses Division

Following the policy of growth in the U.K. and Overseas by acquisition in the construction industry, a New Businesses Division has been established to concentrate on ensuring success in this area. This Division may also implement a measure of diversification.

Specialist staff have been recruited to deal with the problems inevitably involved in the identification, negotiation, and actual management of acquisitions.





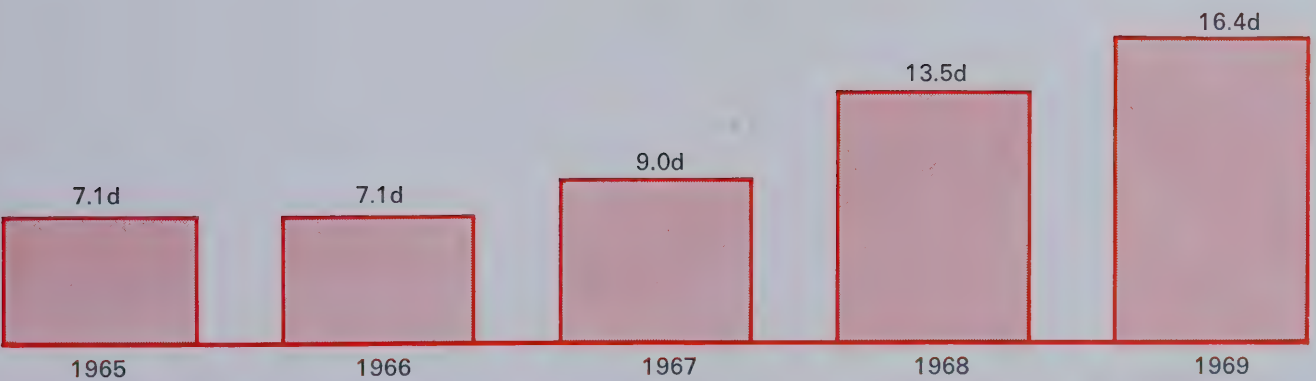
Bovis Ltd, is carrying out a £2.75m modernisation project for Grosvenor House Hotel in London's Park Lane, the largest luxury hotel in Britain and a member of the Trust Houses Group.  
Architects: Peter Ednie & Partners.



## 5 Year Review



## Earnings per ordinary share



**Notes**

- 1. Earnings per share have been adjusted to reflect the one for one capitalisation issue in February 1970.
- 2. The increase in capital resulting from the Rights Issue in 1968 has been ignored in calculating the earnings for 1968 because of its proximity to the end of the financial year.

# Bovis Holdings Ltd and its Subsidiaries

## Consolidated Profit and Loss Account

For the year ended 31st December 1969

		1969		1968	
	Notes	£	£	£	£
<b>Group turnover</b>	1		<b>64,169,000</b>		<b>52,475,000</b>
<b>Group profit before tax</b>	2		<b>1,866,218</b>		<b>1,131,003</b>
Taxation	3		<b>827,564</b>		<b>510,939</b>
<b>Group profit after tax</b>			<b>1,038,654</b>		<b>620,064</b>
Profit (loss) attributable to minority shareholders in subsidiaries			<b>56,027</b>		<b>(314)</b>
<b>Profit after tax attributable to shareholders of Bovis Holdings Ltd</b>			<b>982,627</b>		<b>620,378</b>
<b>Unappropriated profits brought forward</b>					
Bovis Holdings Ltd		<b>114,080</b>		71,278	
Subsidiaries		<b>785,086</b>		537,651	
		<b>899,166</b>		608,929	
Adjustments attributable to prior years		<b>(40,371)</b>		26,925	
		<b>858,795</b>			<b>635,854</b>
		<b>1,841,422</b>			<b>1,256,232</b>
<b>Appropriation of profit</b>					
Transfer to capital reserve			<b>961</b>		<b>593</b>
			<b>1,840,461</b>		<b>1,255,639</b>
Dividends paid and declared (gross)					
7½% preference shares		<b>9,375</b>		9,375	
Ordinary shares					
Interim of 10% (1968 10%)		<b>171,016</b>		131,262	
Second Interim of 17½% (1968 Final 12¾%)		<b>299,279</b>		215,836	
		<b>479,670</b>			<b>356,473</b>
<b>Unappropriated profits carried forward</b>					
Bovis Holdings Ltd		<b>260,771</b>		114,080	
Subsidiaries		<b>1,100,020</b>		785,086	
		<b>£1,360,791</b>			<b>£899,166</b>

The Notes on pages 15 and 18 to 21 form an integral part of the accounts



# Notes on the Consolidated Profit and Loss Account

## 1 Turnover

The amount has been calculated on the basis of the value of work executed during the year excluding inter-company transactions.

## 2 Group profit before tax is arrived at after taking into account the undermentioned income and charges:

	1969 £	1968 £
Income:		
Investments	3,057	42
Net rental income	472,738	418,801
Interest receivable	64,395	14,333
	<u>539,990</u>	<u>433,176</u>
Charges:		
Interest on loans repayable		
After 31st December 1974	248,293	196,092
Before 31st December 1974	77,940	71,972
Interest on bank overdrafts and loans	655,322	293,621
	<u>981,555</u>	<u>561,685</u>
Bovis Holdings Ltd directors' emoluments		
As directors	8,250	5,500
As executives	124,836	113,308
	<u>133,086</u>	<u>118,808</u>
Pensions to previous directors and directors' widows (holding company)	12,930	12,930
	<u>£146,016</u>	<u>£131,738</u>
Emoluments of directors:		
Chairman	18,838	17,879
Number of other directors, in the following brackets:	1969	1968
Less than £2,500	4	4
£2,501 to £5,000	1	1
£5,001 to £7,500	2	2
£7,501 to £10,000	1	3
£10,001 to £12,500	2	—
£12,501 to £15,000	1	1
£15,001 to £17,500	1	1
Audit fees	32,019	16,726
Depreciation of fixed assets	667,173	383,803
Hire of plant and equipment	1,547,484	1,485,183
The basis of arriving at the profits of three subsidiary companies has been amended to conform with Group practice. If the same basis had been applied in 1968 the Group profit before tax for that year would have been increased by £68,000.		

## 3 Taxation

	£	£
Corporation tax—1969 at 45%	961,257	580,339
Overseas taxes	2,840	—
Transfer from tax equalisation account	(32,017)	(34,736)
	<u>932,080</u>	<u>545,603</u>
Taxation on profits for the year		
Relief in respect of tax losses arising in earlier years	(3)	(5,555)
Previous years' adjustments	(104,513)	(29,109)
	<u>£827,564</u>	<u>£510,939</u>

# Bovis Holdings Ltd and its Subsidiaries

## Consolidated Balance Sheet

At 31st December 1969

		1969		1968	
	Notes	£	£	£	£
<b>ASSETS EMPLOYED</b>					
<b>Fixed assets</b>	4				
Land and buildings		6,837,681		8,688,711	
Plant and equipment		2,573,416		1,860,394	
			9,411,097		10,549,105
<b>Overseas subsidiary not consolidated</b>	5		39,217		—
<b>Investments</b>	6		102,362		69,908
<b>Current assets</b>					
Development properties—freehold and leasehold		4,154,946		870,988	
Building land held for development	7	6,104,993		5,507,105	
Stock and small plant	8	1,136,883		736,466	
Debtors and work in progress	9	12,082,672		8,922,375	
Short term deposits		1,146,383		—	
Bank balances and cash		69,021		91,543	
		24,694,898		16,128,477	
<b>Current liabilities</b>					
Creditors		8,593,490		7,825,961	
Taxation		843,889		539,534	
Ordinary dividends (gross)		299,279		215,836	
		9,736,658		8,581,331	
<b>Net current assets</b>			14,958,240		7,547,146
			24,510,916		18,166,159
<b>Corporation tax</b> (payable on or after 1st October 1970)	10	1,218,868		651,013	
<b>Tax equalisation account</b>	11	431,037		502,896	
			1,649,905		1,153,909
			£22,861,011		£17,012,250
<b>FINANCED BY</b>					
<b>Issued capital</b>	12				
7½% Preference shares of £1 each			125,000		125,000
Ordinary shares of 5s. each			1,779,127		1,682,302
			1,904,127		1,807,302
<b>Reserves</b>					
Capital	13	5,934,699		6,330,066	
Revenue	14	1,691,044		1,249,879	
			7,625,743		7,579,945
			9,529,870		9,387,247
<b>Outside shareholders' interests in subsidiaries</b>			150,327		44,195
<b>Loans</b>					
Repayable after 31st December 1974	15	3,784,138		3,787,449	
Repayable before 31st December 1974	16	1,757,929		829,946	
			5,542,067		4,617,395
<b>Bank overdrafts and loans</b>	17		7,638,747		2,963,413
			£22,861,011		£17,012,250

The Notes on pages 15 and 18 to 21 form an integral part of the accounts



# Bovis Holdings Ltd

## Balance Sheet

At 31st December 1969

	Notes	1969 £	1968 £
<b>ASSETS EMPLOYED</b>			
<b>Fixed assets</b>			
Land and buildings		277,650	277,650
Plant and equipment		59,368	58,364
		<b>337,018</b>	336,014
<b>Subsidiaries</b>			
Investments at cost less amounts written off		2,941,001	2,941,001
Advances to subsidiaries		12,288,266	7,074,407
Advances from subsidiaries		(4,551,786)	(3,626,662)
		<b>10,677,481</b>	6,388,746
<b>Unquoted investments</b>		<b>10,210</b>	2,500
<b>Current assets</b>			
Debtors		363,029	144,093
Bank balances and cash		3,148	3,539
		<b>366,177</b>	147,632
<b>Current liabilities</b>			
Creditors		127,502	210,461
Taxation		107,128	3,998
Ordinary dividends (gross)		299,279	215,836
		<b>533,909</b>	430,295
<b>Net current liabilities</b>		<b>(167,732)</b>	(282,663)
		<b>10,856,977</b>	6,444,597
<b>Corporation tax</b>		—	107,128
		<b>£10,856,977</b>	£6,337,469
<b>FINANCED BY</b>			
<b>Issued capital</b>	12		
7½% Preference shares of £1 each		125,000	125,000
Ordinary shares of 5s each		1,779,127	1,682,302
		<b>1,904,127</b>	1,807,302
<b>Reserves</b>			
Capital	13	4,140,070	3,537,988
Revenue		290,771	144,080
		<b>4,430,841</b>	3,682,068
<b>Loans</b>	16		
Repayable before 31st December 1974		559,554	746,072
<b>Bank overdrafts and loans</b>	17	<b>3,962,455</b>	102,027
Directors			
H. VINCENT		<b>£10,856,977</b>	£6,337,469
A. C. RICHARDS			
22nd April 1970			

The Notes on pages 15 and 18 to 21 form an integral part of the accounts

## Notes on Balance Sheets

### 4 Fixed assets

	Land and buildings Freehold £	Leasehold £	Plant and machinery £	Motor cars and lorries £	Office furniture and fittings £	Total £
Cost or valuation						
At 31st December 1968:						
Professional valuation 31st December 1968	6,392,866	2,295,845	—	—	—	8,688,711
Cost	—	—	3,554,810	355,177	469,554	4,379,541
Additions resulting from acquisitions	145,935	37,646	773,911	110,318	32,231	1,100,041
Additions in year	146,818	3,920	439,867	228,026	75,577	894,208
	6,685,619	2,337,411	4,768,588	693,521	577,362	15,062,501
Disposals in year	2,119,095	39,195	356,947	160,322	17,527	2,693,086
At 31st December 1969	4,566,524	2,298,216	4,411,641	533,199	559,835	12,369,415
Depreciation						
Accumulated to 31st December 1969	16,008	11,051	2,494,390	215,093	221,776	2,958,318
Net book value at 31st December 1969	£4,550,516	£2,287,165	£1,917,251	£318,106	£338,059	£9,411,097
Based on:						
Professional valuation on 31st December 1968	4,288,223	2,245,743	—	—	—	6,533,966
Cost	262,293	41,422	1,917,251	318,106	338,059	2,877,131
	£4,550,516	£2,287,165	£1,917,251	£318,106	£338,059	£9,411,097
			Cost or Valuation £	Accumulated Depreciation £		Net book value £
The net book value of leasehold land and buildings shown above comprises:						
Leases in excess of 50 years			1,779,136	788		1,778,348
Leases less than 50 years			519,080	10,263		508,817
			£2,298,216	£11,051		£2,287,165

### 5 Overseas subsidiary not consolidated

This represents the investment in Bovis S.A., a wholly owned subsidiary in France which was formed in November 1969. No accounts were prepared at 31st December 1969.

### 6 Quoted investments

Book value £32,165. Market valuation at 31st December 1969—£34,634.

#### Unquoted investments

These have been valued by the directors at £70,197, the book value.

### 7 Building land held for development

This is stated at cost to the Group or market value whichever is the lower.

### 8 Stock and small plant

At cost or estimated market value whichever is the lower.

### 9 Debtors and work in progress

Debtors are stated after making provision for bad and doubtful debts and include £394,548 in respect of loans to the Trustees of the executive share incentive scheme. Work in progress is valued at cost, less cash received on account, with an addition for overheads and profit on some contracts.



## Notes on Balance Sheets (continued)

### 10 Corporation tax

The liability to corporation tax at 31st December 1969 has been computed after taking credit for relief in respect of interest accrued at that date, but not paid. Such relief is contingent upon sufficient profits being earned by the Group in 1970 to cover the accrued interest which amounts to £129,243 (1968—£110,257).

### 11 Tax equalisation account

Includes £324,234 which represents corporation tax at 45% on the difference between the cost to the Group and the original cost to two subsidiary companies of land held for development. As the land is realised, an appropriate amount is transferred from tax equalisation account.

### 12 Issued capital

	Authorised £	Issued and fully paid £	1968 £	£
7½% Preference shares of £1 each	125,000	125,000	125,000	125,000
Ordinary shares of 5s. each	2,250,000	1,779,127	2,250,000	1,682,302
	<u>£2,375,000</u>	<u>£1,904,127</u>	<u>£2,375,000</u>	<u>£1,807,302</u>

The authorised capital includes £75,000 of numbered ordinary shares of which £68,963 have been issued (1968 £41,525).

	No. of 5s. ordinary shares	£
Ordinary share movements during year:		
Issued at 31st December 1968	6,729,208	1,682,302
Shares issued in connection with: the acquisition of:		
David F. Wiseman & Sons Ltd.	208,219	52,054
66% of the issued ordinary share capital of 1900 Programming Ltd.	69,333	17,333
the executive share incentive scheme	109,750	27,438
	<u>7,116,510</u>	<u>£1,779,127</u>

### 13 Capital reserves

GROUP	Share premium account £	Realised surplus on sale of assets £	Other £	Total £
Balance at 31st December 1968	2,393,544	770,498	3,166,024	6,330,066
Costs relating to the revaluation of land and buildings at 31st December 1968	—	—	(2,154)	(2,154)
Surplus on revaluation of land and buildings at 31st December 1968 realised during year	—	1,223,668	(1,223,668)	—
Net profits on realisation of assets	—	301,436	—	301,436
Provision for taxation on realisation of assets	—	(346,673)	—	(346,673)
Premium on ordinary shares in connection with: the acquisition of:				
David F. Wiseman & Sons Ltd.	327,945	—	—	327,945
66% of the issued ordinary share Capital of 1900 Programming Ltd.	125,666	—	—	125,666
the executive share incentive scheme	148,775	—	—	148,775
Sinking fund appropriation out of profits for redemption of mortgage	—	—	593	593
Pre-incorporation profits of a subsidiary company, less attributable to minority shareholders	—	—	243	243
	<u>2,995,930</u>	<u>1,948,929</u>	<u>1,941,038</u>	<u>6,885,897</u>
Goodwill written off	—	—	(951,198)	(951,198)
Balance at 31st December 1969	<u>£2,995,930</u>	<u>£1,948,929</u>	<u>£989,840</u>	<u>£5,934,699</u>

## Notes on Balance Sheets (continued)

### Capital reserves (continued)

#### BOVIS HOLDINGS

	Share premium account £	Realised surplus on sale of assets £	Other £	Total £
Balance at 31st December 1968	2,393,544	662,213	482,231	3,537,988
Costs relating to the revaluation of land and buildings at 31st December 1968	—	—	(304)	(304)
Premium on ordinary shares in connection with the acquisition of:				
David F. Wiseman & Sons Ltd.	327,945	—	—	327,945
66% of the issued ordinary share capital of 1900 Programming Ltd.	125,666	—	—	125,666
the executive share incentive scheme	148,775	—	—	148,775
Balance at 31st December 1969	<u>£2,995,930</u>	<u>£662,213</u>	<u>£481,927</u>	<u>£4,140,070</u>

No provision has been made for tax which might become payable in the event of future sales of land and buildings which were revalued at 31st December 1968 the surplus on which was credited in full to capital reserve. The tax, if any, that might arise would only be chargeable on the gain attributable to the period from 6th April 1965. In the opinion of the directors any such contingent liability would not exceed £694,000 (Group) and £58,000 (Bovis Holdings).

### 14 Revenue reserves

#### GROUP

	General reserve £	Profit and loss account £	Total £
Balance at 31st December 1968	350,713	899,166	1,249,879
Retained profits for year	—	501,996	501,996
Adjustments attributable to prior years	(20,460)	(40,371)	(60,831)
Balance at 31st December 1969	<u>£330,253</u>	<u>£1,360,791</u>	<u>£1,691,044</u>

### 15 Loans repayable after 31st December 1974

	1969 £	1968 £
1st Mortgage debenture stock 1995 — 7%	3,469,900	3,469,900
Mortgage loan repayable after 1980 — 6¾%	80,000	80,000
Mortgage loan repayable by 9th April 1983 — 8%	63,355	66,666
Mortgage loan repayable by 10th September 1980 — 9%	170,883	170,883
	<u>£3,784,138</u>	<u>£3,787,449</u>

### 16 Loans repayable before 31st December 1974

	£	£
Balance of purchase consideration for the share capital of the Warren companies, repayable by three further equal annual instalments — interest 1% per annum over bank rate, subject to minimum of 5%	559,554	746,072
Mortgage loans repayable within five years — interest rates varying between nil and 12%	1,198,375	83,874
	<u>£1,757,929</u>	<u>£829,946</u>



## Notes on Balance Sheets (continued)

### 17 Bank overdrafts and loans

Bovis Holdings Limited has guaranteed:

The bank overdrafts of subsidiary companies.

Part of a loan to an associated company up to a maximum of £84,000.

Secured bank overdrafts and loans amounted to £4,250,231.

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### 18 Future capital expenditure at 31st December, 1969

Capital expenditure authorised but not contracted for amounted to £443,424 (1968—£112,667).

Commitments contracted for which no provision has been made in these accounts amounted to £196,788 (1968—£1,493,438).

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### 19 Investment grants

Investment grants receivable in respect of expenditure on plant and equipment during the year amounting to £303,153 have been deducted from the cost of the assets (1968—£168,871).

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### 20 Contingent Liability

There is a contingent liability in respect of a covenant contained in the purchase agreement for a parcel of development land. The advice of Counsel is that it is unlikely that the covenant is enforceable, and, in the opinion of the Directors any liability is likely to be insignificant.

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### 21 Comparative figures

The figures for 1968 exclude those relating to companies acquired during 1969.

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### 22 Foreign currency

This has been converted into sterling at the rate of exchange ruling at the date of the Balance Sheet.

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## **Auditors' Report to the members**

We have audited the books of Bovis Holdings Limited for the year ended 31st December 1969. The foregoing accounts have been properly prepared in accordance with the provisions of the Companies Acts, 1948 and 1967. Certain subsidiaries have been audited by other firms of accountants.

In our opinion these accounts give a true and fair view of the state of affairs of the company, and of the state of affairs and profit of the company and its subsidiaries so far as concerns the members of the company.

THOMSON McLINTOCK & CO  
Chartered Accountants  
33 King William Street London EC4  
22nd April 1970





The Central Area Redevelopment at Sunderland carried out jointly by the Sunderland Corporation and Town & City Properties Ltd, and built by Gilbert-Ash (Northern) Ltd, is the largest to be undertaken in the North East by a partnership of Local Authority and private developers. Architects: Ian Fraser & Associates and Llewelyn-Davies, Weeks, Forestier-Walker & Bor.









BOVIS